

COW/CALF CORNER

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2013 Cattle Markets at Mid-Year

Derrell S. Peel, Oklahoma State University Extension Livestock Marketing Specialist

With the first half of the year behind us, it is useful to take a look at what has happened and the prospects for the second half of 2013. Beef demand has been and remains a crucial question, perhaps even more so in the second half of the year. Currently, Choice boxed beef prices are roughly \$127/cwt., about one dollar above prices at this time last year. The difference is that Choice boxed beef prices at this time last year had just made a second unsuccessful attempt to break the \$200/cwt. level while Choice values this year were above \$200/cwt for 6 weeks in May and June. In addition, Select boxed beef prices are currently about \$7/cwt. higher than the same time last year meaning that overall carcass values are significantly higher than a year ago. Boxed beef prices are expected to move higher by the fourth quarter due to declining beef production.

Beef production so far this year is down just under one percent, a smaller decrease than previously expected. Larger-than-expected beef cow slaughter since mid-March has contributed to the smaller than projected slaughter and beef production decreases. The most recently weekly slaughter data shows that beef cow slaughter dropped below year ago levels for the first time in 13 weeks. While net beef herd liquidation this year seems likely given what has happened already, beef cow slaughter is expected to decrease year over year for the remainder of the year as long as drought conditions do not redevelop significantly. Cow slaughter and yearling slaughter are both expected to drop sharply in the second half of the year, leading to a 5-6 percent decrease in beef production in the second half compared to the minimal decrease seen so far this year. Total beef production for the year will likely be down 3-3.5 percent for the year.

Fed cattle prices are currently about \$120/cwt. compared to just under \$117/cwt. this time last year. Fed prices peaked in early May at \$129/cwt., close to year ago levels, though the 2012 peak occurred in early March. With indications that cattle slaughter and beef production have peaked seasonally, fed cattle prices could be near the summer low but often move a bit lower in July. Relatively large levels of heavy placements recently may hold fed cattle prices under

\$125/cwt in the third quarter. However, fed prices are expected to move back into the upper \$120s in the fourth quarter and may end the year near \$130/cwt.

Feeder cattle prices have been on the defensive much of the first half of the year with record high feed prices and severe feedlot losses restricting feeder demand. Feeder prices moved lower from February through May compared to the record levels in February/ March 2012. However, feeder markets bottomed in late May and moved higher through June. Feeder prices are still roughly 5 percent lower than this time last year. With lower feed prices and tighter feeder cattle supplies, feeder prices are expected to be higher in the second half of the year compared to the first half. Feeder cattle prices may average close to year ago levels this fall but will average lower for the year due to a weak first half of the year.

The second half of 2013 may look considerably different than the first half. Lower corn prices and recuperation of forage supplies will temper feed costs significantly compared to 2012. Drought conditions have improved considerably in the Midwest and eastern Great Plains, though severe conditions continue in much of western half of the country. Lower beef production and tighter feeder cattle supplies suggest that most all cattle and beef prices will move higher after summer lows that may be already in place or very near.

Effects of De-worming and Late Summer Protein Supplements are Additive

Glenn Selk, Oklahoma State University Emeritus Extension Animal Scientist

The advantageous use of high protein supplements on late summer native range and Bermuda grass pastures has been well documented. The Oklahoma Gold supplementation program is widely used for fall-born replacement heifers and summer grazing of stocker cattle. Adding another management tool, late summer de-worming may pay additional dividends.

Oklahoma State University beef nutritionists studied the effects of de-worming and protein supplementation during late-summer on performance of fall-born heifers grazing native warm-season pastures. Forty Angus and Angus x Hereford heifers (average age = 270 days) were assigned to receive one of four treatment combinations: 1) no supplement, no de-wormer; 2) supplement, no de-wormer; 3) no supplement, de-wormed; and 4) supplement, and de-wormed. The de-wormer treatment (Ivermectin, 1% solution containing 10% clorsulon) was applied on July 25 and again on August 26. Protein supplemented heifers received the equivalent of 1 pound per head per day of cottonseed meal (41% crude protein, as fed basis) for 84 days beginning on July 29. Fecal egg counts were obtained from 5 heifers within each treatment combination at 28-day intervals. Fecal egg shedding was lower in de-wormed heifers throughout the treatment period.

Both protein supplementation and de-worming treatment resulted in improved weight gains during the treatment period. Late summer de-worming increased average daily gain by 0.29 lb/day. Feeding 1 pound of cottonseed meal increased average daily gain by 0.49 lb/day. Combining de-worming and protein supplement increased daily gain by 0.76 lb/day.

The effects of protein supplementation and de-worming are additive. However, some, although not all, of the additional weight gain due to supplementation was lost during the winter when heifers received a maintenance diet. Added weight gain that was attributed to de-worming heifers the previous summer was not lost during the winter. Source: Lalman and co-workers. [2004 OSU Animal Science Research Report](#).

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